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JAN. 27 1993

Sandra L. Oberkfell, Esq.
The Stolar Partnership
911 Washington Avenue
St. Louis, Missouri 63101

RE: Knapheide Manufacturing Co., Docket No. VII-92-H-0008

Dear Ms. Oberkfell:

On January 4, 1993, Knapheide submitted expenses that have been incurred to date in connection with the Environmental Audit Plan for its West Quincy, Missouri and Quincy, Illinois facilities. We reviewed these expenses for consistency with the revised draft CA/CO and the appropriate guidance documents referenced within.

Knapheide's letter presented a general description of the employee training activities and the Emergency Planning and Community Right to Know Act (EPCRA) audit that were conducted for Knapheide by ATEC Associates, Inc. (ATEC). The employee training activities and the EPCRA audit are both considered "Environmental Auditing Projects" as described in section B of the Environmental Protection Agency's (EPA's) Policy on the Use of Supplemental Enforcement Projects in EPA Settlements (February 12, 1991). Environmental Auditing Projects are eligible for offset of penalties; therefore, all expenses submitted by Knapheide on January 4, 1993, are accepted.

The EPA is concerned that the cover letter and the remainder of Knapheide's submittal does not explain the specific activities that were accomplished during each invoicing period. The type of information that Knapheide must provide in their future claims is outlined in Enclosure A. Without this information being provided in future submittals, we will not be able to determine whether the expenses are reasonable. Invoices which are not determined to be reasonable will be denied.

If you have any questions concerning these comments, please contact me.

Sincerely,

Ruben B. McCullers
Environmental Scientist
RCRA Compliance Section

bcc: Bob Richards, CNSL ✓
Nate Meyer, PRC ✓

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RCRA Records Center

ENCLOSURE A

EMPLOYEE TRAINING

Knapheide hired ATEC to fulfill compliance order items identified in the February 4, 1992, complaint and to audit Knapheide's hazardous materials training procedures. Knapheide submitted four invoices from ATEC for a total of \$6,605.41. The invoices are described below.

Invoice No. 5300279

From the descriptions provided on the invoice, it appears that one or two persons traveled to the Knapheide facility or the St. Louis ATEC office from a distance of over 300 miles, or that extensive local travel was required. The work appears to have been conducted in one day by the visiting ATEC employees as there are no hotel expenses listed. Knapheide must provide the following information with this type of invoice in the future:

- The names and offices of the ATEC employees (except clerical) performing the work;
- The day or days on which the majority of the work was conducted;
- A description of the activities that were accomplished during this invoicing period.

Invoice No. 5300325

Beyond the type of information specified in the discussion of invoice No. 5300279, Knapheide must also provide an explanation of why the hourly rate for the certified industrial hygienist has changed from the previous invoice.

Invoice No. 5300366

From the descriptions on the invoice, it appears that the work was conducted by two ATEC employees. Beyond the type of information specified in the discussion of invoice No. 5300279, Knapheide must provide an explanation of why the invoice date is June 2, 1992, when the invoice is for services performed through June 5, 1992.

Invoice No. 5300494

From the descriptions on the invoice, it appears that ATEC either sold or rented safety videotapes to Knapheide. At least two ATEC employees performed work during this invoicing period.

Beyond the type of information specified in the discussion of invoice No. 5300279, Knapheide must provide:

- The subject matter or titles of the videotapes;
- The number of Knapheide employees who viewed the videotapes, and the dates on which the videotapes were viewed.

EPCRA AUDITING

Knapheide hired ATEC to audit its record keeping, purchase orders, inventories, and manufacturing processes to assess whether Knapheide was subject to reporting requirements of EPCRA. Once it was determined that Knapheide was subject to the reporting requirements, ATEC prepared and completed forms to bring Knapheide into compliance. ATEC billed Knapheide for these services on three invoices.

Expenses incurred to achieve compliance are not allowed for offset of penalties; therefore, Knapheide submitted only 65 percent (\$9,750) of the expenses incurred on the three invoices for penalty offset. This percentage is ATEC's professional opinion for the amount that was used strictly for auditing purposes and it appears reasonable. Future submittals will not be accepted without actual hours. The invoices submitted are described below.

Invoice No. 5300433

From the descriptions on the invoice, one ATEC employee was flown in to work on the project. It appears that the ATEC employee conducted work for one day as only one day of per diem was invoiced. Knapheide must provide the information specified below:

- The name of the ATEC employee who was flown in to conduct work on this project, and the office from which the trip originated;
- A detailed description of the activities that he or she accomplished on this trip;
- The date on which the ATEC employee arrived and the date on which the ATEC employee departed;
- The number of days that he or she worked on the project (If he or she worked on the project for only one day, the \$221.38 per day for per diem shown on the invoice should also be justified);

- Clarification on the "transportation-commercial carrier" expense (it is assumed to be for car rental, but this is not clear).

Invoice No. 5300495

From the descriptions on the invoice, it appears that at least four ATEC employees worked on the project for a significant amount of time during this invoicing period. Knapheide must provide additional information regarding "Special Outside Services."

Invoice No. 5300576

This invoice credits Invoice no. 5300495. Knapheide must explain what the credit was for.